

Gerald D. Rice

Plea Agreement

Date: July 9, 2004

Defendant: Gerald D. Rice

Gerald D. Rice appeared with his counsel before the Honorable Clark V. Owens II in Sedgwick County District Court. Pursuant to a plea agreement, Mr. Rice Plead guilty to Count 1, (Unlawful Acts in connection with the offer sale of a security), Count 4 (Theft, by deception), and Count 11 (Theft by Deception).

Mr. Rice was released on bond pending a pre-sentence investigation which was ordered by the court. He is to be sentenced on August 18, 2004.

The circumstances of the case are as follows: In the fall of 2001, Gerald D. Rice received investment funds totaling \$13,000.00 from three Wichita citizens. Rice claimed to be a licensed general contractor and a licensed realtor and was to purchase, renovate, and then sell the local real estate properties and split the profits with the pooled investor funds. An investigation by the Office of the Kansas Securities Commissioner found that Mr. Rice did not have the professional licenses that he claimed and had no prior history of successfully operating the business enterprise that he claimed to be engaged in. Further, no properties were purchased and investor funds were used for other personal purposes. The State contends that this type of business endeavor is an "investment contract", which is one type of a "security", and is therefore subject to regulation by the Office of Securities Commissioner of Kansas.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.